

Message Text

UNCLASSIFIED

PAGE 01 IAEA V 03384 01 OF 02 171110Z

11

ACTION IO-14

INFO OCT-01 ISO-00 ACDA-19 CIAE-00 INR-10 L-03 NSAE-00

NSC-07 RSC-01 SCI-06 FEA-02 DRC-01 OMB-01 ABF-01

AF-10 ARA-16 EA-11 EUR-25 NEA-10 TRSE-00 AID-20 OIC-04

EB-11 COME-00 /173 W

----- 091868

R 170854Z APR 74

FM US MISSION IAEA VIENNA

TO SECSTATE WASHDC 4231

INFO AEC GERMANTOWN

UNCLAS SECTION 1 OF 2 IAEA VIENNA 3384

E.O. 11652: N/A

TAGS: AORG, AFIN, IAEA

SUBJECT: IAEA A&B COMMITTEE-TARGET FOR VOLUNTARY
CONTRIBUTIONS

REF: (A) IAEA VIENNA 2904

(B) STATE 69838

1. SUMMARY: LDC'S HELD FIRM PUBLIC LINE SUPPORTING \$6-MILLION TARGET FOR 1975, BUT PRIVATELY INDICATE WILLINGNESS TO COME DOWN AT LEAST TO \$4.5-MILLION. ARGUMENTS INCLUDED LINKAGE OF TARGET WITH AGENCY SAFEGUARDS EXPENDITURES, COMPENSATION FOR EFFECTS OF INFLATION, VOLUME OF REQUESTS RECEIVED, AND NEW DEMANDS DUE TO ENERGY SITUATION. COMMITTEE CONSENSUS DECIDED MERELY THAT REPORT WOULD SUMMARIZE DISCUSSIONS, AND REFERRED DECISION ON LEVEL OF TARGET TO JUNE BOARD. MISSION NOT RPT NOT YET SURE WHETHER LDC'S CAN BE BROUGHT DOWN TO \$4-MILLION BEFORE JUNE, BUT FEELS SOME POSSIBILITY OF THIS MAY EXIST. END SUMMARY.

2. IN OPENING STATEMENT TO A&B COMMITTEE APRIL 8, DG RECALLED THAT LAST YEAR BOARD HAD AGREED TARGET FOR 1975
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 IAEA V 03384 01 OF 02 171110Z

SHOULD BE INCREASED, AND ALSO THAT CONTRIBUTIONS FOR

1974 LIKELY TO EXCEED TARGET FOR FIRST TIME. IMPACT OF INFLATION ON REAL VALUE OF TA FUNDS WAS DIFFICULT QUESTION; UNDP WAS PREPARING STUDY THIS SUBJECT, AND HE WOULD BRING THIS TO ATTENTION OF JUNE BOARD. PRELIMINARY SECRETARIAT FIGURES INDICATED THAT AVERAGE OF ABOUT 10 PERCENT PER YEAR SINCE 1967 WAS PROPER ORDER OF MAGNITUDE, AND REAL VALUE OF CASH CONTRIBUTIONS FOR TA PROVIDED BY AGENCY WOULD THUS HAVE INCREASED BY ONLY ABOUT \$110,000 OVER SEVEN YEARS. HE HOPED COMMITTEE COULD REACH CONSENSUS RECOMMENDING ADEQUATE AND ACCEPTABLE INCREASE IN TARGET FOR 1975.

3. DURING GENERAL DISCUSSION OF BUDGET, SEVEN LDC MEMBERS (INDONESIA, INDIA, BRAZIL, COSTA RICA, ARGENTINA, MEXICO AND PHILIPPINES) TOOK FIRM PUBLIC POSITION THAT TARGET SHOULD BE INCREASED TO \$6-MILLION, USING VARIETY OF RATIONALES FOR GETTING TO THIS FIGURE. (GABON AND SUDAN WERE NOT REPRESENTED, AND LEBANON APPEARED WITHOUT SPEAKING AT OPENING SESSION AND WAS ABSENT FOR REMAINING TWO DAYS.) INDONESIA OFFERED: A) TABULATION OF REQUIREMENTS, BASED ON REQUESTS FOR EXPERTS AND EQUIPMENT AND ESTIMATE OF FELLOWSHIP AND TRAINING FUNDS; B) DETAILED COMPUTATION OF INFLATIONARY COST INCREASES; AND C) ESTIMATE OF MINIMUM REQUIREMENTS, ESPECIALLY FOR FELLOWSHIPS AND TRAINING, FOR ASSISTANCE IN INTRODUCTION OF NUCLEAR POWER IN LDC'S. ANY OF THESE THREE METHODS, HE SAID, WOULD INDEPENDENTLY INDICATE NEED FOR \$6-MILLION TARGET. INDIA USED SOME OF SAME TYPE OF FIGURES, WHILE STRESSING THAT TARGET WAS NOTIONAL FIGURE REPRESENTING LEGITIMATE EXPECTATIONS OF LDC'S, AND THAT IT REMAINED UP TO INDIVIDUAL MEMBERS TO DECIDE ON LEVEL AND TYPES OF CONTRIBUTIONS. (COMMENT: THIS ARGUMENT SEEMS ESPECIALLY DANGEROUS TO MISSION, SIMPLY BECAUSE IT TIES IN SO WELL WITH INCIPIENT THOUGHTS OF A NUMBER OF DONORS WHO WOULD LIKE NOT TO PAY ATTENTION TO TARGET, E.G., FRANCE; TOO MUCH OF THIS WILL PROBABLY SIMPLY ENCOURAGE DONORS TO IGNORE TARGET, AND WHATEVER LDC'S WANT TO DO TO IT WILL THEN BE DONE. END COMMENT) INDIA AND MEXICO RESPONDED TO QUESTIONS RAISED PRIVATELY BY SOME DONORS ABOUT CAPACITY OF LDC'S TO ACCEPT AND PROFITABLY UTILIZE SUDDEN LARGE INCREMENT

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 IAEA V 03384 01 OF 02 171110Z

OF ASSISTANCE BY POINTING OUT THAT DOCUMENTS BEFORE COMMITTEE RELATING TO INTRODUCTION OF NUCLEAR POWER IN LDC'S MADE CASE FOR VAST EXPANSION IN NEED AND CAPACITY TO ABSORB ASSISTANCE FAR BEYOND PREVIOUS EXPECTATIONS.

4. ALL EXCEPT ARGENTINA (WHICH CONFINED ITSELF TO ONE-SENTENCE ENDORSEMENT OF OTHER' VIEWS) AND MEXICO EXPLICITLY LINKED AGENCY SAFEGUARDS ACTIVITIES AND BUDGET

WITH TARGET. BRAZIL, INDIA AND INDONESIA (ALL NON-PARTIES OF NPT) CRITICIZED SHIFT IN OVERALL BALANCE OF AGENCY PROGRAM AWAY FROM ACTIVITIES OF PRIME INTEREST TO LDC'S, ESPECIALLY PROVISION OF TA, TOWARD SAFEGUARDS. SEVERAL SAID LARGE INCREASES IN SAFEGUARDS COSTS OVER PAST SEVERAL YEARS CALLED FOR SIMILAR PATTERN OF PERCENTAGE INCREASES, INCLUDING MAKE-UP INCREASE, IN A TARGET WHICH HAD BEEN STATIC SINCE 1971. SOME ARGUE SIMPLY THAT SINCE SAFEGUARDS NOW TOPPED \$5-MILLION, TA, OF PRIMARY INTEREST TO LARGER NUMBER OF LDC'S, SHOULD THEREFORE GO TO \$6-MILLION. PHILIPPINES CONTINUED SELF-APPOINTED ROLE AS SPOKESMAN FOR NPT-PARTY LDC'S BY CITING OBLIGATIONS OF ADVANCED STATES, ESPECIALLY NWS, PURSUANT ARTICLE IV OF TREATY, ARGUING THAT THERE HAD BEEN NO RPT NO PROGRESS IN IMPLEMENTING THIS ARTICLE AND STRESSING HIS INTENTION TO CONSIDER AGENCY TA IN CONTEXT OF ITS REVIEW AT MAY 1975 NPT REVIEW CONFERENCE. NUMBER OF LDC'S CONTINUED WITH SIMILAR OBSERVATIONS AS TO LINKAGE OF SAFEGUARDS AND TA IN DISCUSSION OF SAFEGUARDS PROGRAM IN BUDGET (SEPTTEL).

5. PARTIALLY AS RESULT OF ADVANCE CONSULTATION, DONORS GENERALLY TOOK MUTED LINE ON TARGET. NONE MENTIONED SPECIFIC FIGURE ON RECORD, TO AVOID BACKING LDC'S INTO CORNER. ARGUMENTS INCLUDED: NEED FOR REALISTIC MODERATE AND ORDERLY GROWTH IN TA PROGRAM; SUDDEN DOUBLING OF FUNDS MIGHT BE BEYOND CAPACITY TO DELIVER EFFECTIVELY. COMMITTEE WAS CONSIDERING LARGE EXPANSION OF REGULAR BUDGET FOR INTRODUCTION OF NUCLEAR POWER IN LDC'S; THIS AT LEAST EQUALLY AS MUCH ORIENTED TO THEIR NEEDS AND SHOULD RECEIVE FULL CONSIDERATION. CASH CONTRIBUTIONS TO TARGET ONLY ONE FACTOR IN PROVISION OF TA; IN-KIND CONTRIBUTIONS, UNDP AND OTHER SOURCES OF FUNDING MUST BE CONSIDERED AS WELL. SOUTH AFRICA RECALLED PROPOSAL IN FEBRUARY FOR UNCLASSIFIED

UNCLASSIFIED

PAGE 04 IAEA V 03384 01 OF 02 171110Z

SECRETARIAT PROJECTIONS OF TA REQUIREMENTS FOR PERIOD 1975-80 SIMILAR TO PROJECTIONS OF SAFEGUARDS COSTS PREPARED FOR 1971 SAFEGUARDS COMMITTEE; SEVERAL OTHERS ENDORSED THIS. USSR CALLED FOR DISCUSSION TO TAKE ACCOUNT OF ALL RELEVANT FACTORS TO FIND REASONABLE AND GENERALLY ACCEPTABLE SOLUTION WHICH TECHNICALLY AND ECONOMICALLY JUSTIFIED. CANADA STRESSED THAT TA AND SAFEGUARDS WERE COMPLEMENTARY, NOT ANTAGONISTIC, AND WERE OF GREAT INTEREST TO ALL MEMBERS; CANADA WOULD NOT WELCOME SITUATION WHERE TARGET INCREASE WHICH WAS NOT ATTAINABLE WOULD BE RECOMMENDED (AT ONE POINT, CANADA ALSO SAID IT WOULD NOT WISH SEE TA EXTENDED WITHOUT ADEQUATE SAFEGUARDS: MISSION FEELING WAS THAT THIS WAS HORTATORY, RATHER THAN INDICATION OF NEW POLICY). US FELT DISCUSSION SHOULD CONSIDER BOTH REQUIREMENTS FOR ASSISTANCE, INCLUDING

AGENCY ABILITY TO DELIVER IT, AND EXTENT TO WHICH GIVEN

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 IAEA V 03384 02 OF 02 171122Z

11

ACTION IO-14

INFO OCT-01 ISO-00 ACDA-19 CIAE-00 INR-10 L-03 NSAE-00

NSC-07 RSC-01 SCI-06 FEA-02 OMB-01 ABF-01 TRSE-00

AID-20 OIC-04 EB-11 COME-00 AF-10 ARA-16 EA-11 EUR-25

NEA-10 DRC-01 /173 W

----- 091993

R 170854Z APR 74

FM US MISSION IAEA VIENNA

TO SECSTATE WASHDC 4232

INFO AEC GERMANTOWN

UNCLAS SECTION 2 OF 2 IAEA VIENNA 3384

TARGET WOULD PRODUCE RESULTS; HOWEVER, US FELT TIME NOT RIPE FOR COMMITTEE TO AGREE ON RECOMENDATION AND SUGGESTED THAT JUNE BOARD CONSIDER MATTER, TAKING ACCOUNT ALL RELEVANT FACTORS. UK REPEATED EARLIER STATEMENTS THAT TARGET SOULD BE RAISED, BUT POINTED OUT FOR ITSELF AND OTHER DONORS THAT SILENCE ON LDC'S SUGGESTION OF \$6-MILLION

DID NOT RPT NOT IMPLY CONSENT.

6. CHAIRMAN'S CONSENSUS NOTED THAT GOOD DEAL SAID ON TARGET, AND THAT MEMBERS HAD COMMITTED THEMSELVES TO FINDING BROADLY ACCEPTABLE CONSENSUS BEFORE JUNE BOARD AS TO INCREASE IN TARGET. VIEWS EXPRESSED WOULD THEREFORE BE SUMMARIZED IN COMMITTEE REPORT.

7. IMPRESSION WHICH COULD BE DRAWN FROM ON-RECORD DISCUSSION AT COMMITTEE IS ACTUALLY SOMEWHAT MISLEADING AS TO LDC POSITIONS; AS USUAL, THEY DO NOT APPEAR READY TO SAY IN PUBLIC, AT LEAST NOT YET, WHAT THEY AGREE IN PRIVATE. IN CONSULTATIONS WITH NUMBER OF DONORS, JUST ABOUT ALL LDC'S HAVE PRIVATELY ADMITTED THAT \$6-MILLION IS NOT RPT NOT REALISTIC, AND MOST HAVE EXPRESSED VIEW

THAT \$4-5-MILLION SHOULD BE BOARD RECOMMENDATION; IN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 IAEA V 03384 02 OF 02 171122Z

FACT, SOME HAVE GONE SO FAR AS TO SUGGEST THAT WHAT THEY REALLY WANT IS \$4-MILLION IN CASH, FOR WHICH THEY FEEL A \$4.5-MILLION TARGET WOULD BE REQUIRED. MOST LDC'S, IN ADDITION, FEEL SOMEWHAT DISHEARTENED THAT SECRETARIAT (AND ESPECIALLY DDG FOR TA GOSWAMI, AN INDIAN) HAS PRIVATELY INDICATED THAT \$4-MILLION TARGET, IF SUBSTANTIALLY MET, PLUS CONTRIBUTIONS IN KIND AT ABOUT SAME LEVEL AS IN 1974, WOULD PRODUCE ALL THE RESOURCES WHICH SECRETARIAT REALLY NEEDED OR COULD PROFITABLY USE IN 1975. AT VERY STRONG URGING OF LDC'S, GOSWAMI AGREED NOT RPT NOT TO SAY ANYTHING ON THIS SUBJECT AT COMMITTEE, BUT HE HAS INDICATED TO MISSION THAT HE WILL WEIGH IN ON RECORD AT JUNE BOARD IF IT APPEARS LDC'S ARE TAKING ADMANT LINE ON HIGHER FIGURE WHICH WOULD BRING THEM INTO OPEN CLASH WITH DONORS; HE ASLO SAID HE HAS TOLD LDC REPS AS MUCH. MISSION UNSURE AT THIS TIME WHETHER GOSWAMI WOULD PUBLICLY LIMIT HIS STATEMENT TO \$4-MILLION TARGET IN JUNE, BUT WE FEEL THAT IT UNLIKELY IN EXTREME HE WOULD SIT STILL FOR LDC PRESSURE FOR ANTHING EXCEEDING \$4.5-MILLION.

I. MOOD OF DONOR REPS IS MORE DIFFICULT TO ASSESS; MOST SEEM, IN OUR VIEW, OMINOUSLY QUIET ON QUESTION. SEVERAL HAVE ADVISED US PRIVATELY, AND AT LEAST ONE (SWEDEN) STATED ON RECORD, THAT LEVEL OF TARGET OF LITTLE MOMENT TO THEM SINCE THEY WILL GIVE WHAT THEY WILL GIVE REGARDLESS OF LEVEL OF TARGET SET BY GC. MISSION FEELS THAT THIS IS DANGEROUS LINE TO DRIFT INTO, AND HAS POINTED THIS OUT TO LDC'S ON SEVERAL OCCASIONS; AMONG OTHER THINGS, IT WOULD REMOVE EFFECTIVENESS OF APPROACH US TOOK PURSUANT PASTORE AMENDMENT IN 1972-3 TO REDUCE US SHARE OF VOLUNTARY CONTRIBUTIONS TO IAEA BY ENCOURAGING OTHERS TO INCREASE THEIRS. DESPITE THIS MOOD OF ENNUI WITH QUESTION OF TARGET, MISSION FEELS IT LIKELY THAT \$4-MILLION TARGET WOULD BE NEARLY MET, AND POSSIBLY EVEN EXCEEDED, BY CASH PLEDGES IN 1975; MOST DONORS FEEL THEIR GOVERNMENTS WILL GO THIS FAR. SOME (E.G., JAPAN, AUSTRALIA) WOULD PROBABLY CONTRIBUTE ASSESSED BASE RATE SHARES OF \$4.5-MILLION TARGET, ALBEIT RELUCTANTLY IN SOME CASES. HOWEVER, WHETHER OR NOT THEY FEEL THEIR GOVERNMENTS MIGHT BE ALBE TO CONTRIBUTE TOWARD \$4.5-MILLION TARGET, MISSION FINDS
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 IAEA V 03384 02 OF 02 171122Z

NO WILLINGNESS AT ALL AMONG DONORS, WESTERN OR SOCIALIST, TO BECOME EMBROILED IN ALL-OUT FIGHT ON THIS QUESTION. THIS INDICATES TO US THAT EFFORTS TO LIMIT TARGET INCREASE TO \$4-MILLION LEVEL WILL HAVE TO BE FOCUSED ON CONVINCING LDC'S THAT ANYTHING MORE WOULD BE COUNTER TO THEIR REAL INTEREST, WOULD BE DESTRUCTIVE OF PRINCIPAL THAT TARGET OUGHT TO BE PAID ATTENTION TO AND, PREFERABLY, MET BY DONORS, AND WOULD NOT PRODUCE ANY SIGNIFICANT AMOUNT OF MONEY MORE THAN \$4-MILLION TARGET. IF LDC'S WERE TO REMAIN ADAMANT ON \$4.5-MILLION FIGURE, OUR OPINION IS THAT VIRTUALLY ALL OTHER DONORS WOULD RATHER SWITCH THAN FIGHT.

9. IN SUMMARY, MISSION FEELS THAT ISSURE HAS RESOLVED ITSELF TO BOARD RECOMMENDATION OF EITHER \$4-MILLION OR \$4.5-MILLION IN JUNE. MISSION INTENDS PURSUE CONSULTATIONS BETWEEN NOW AND JUNE BOARD WITH PRINCIPAL LDC'S, AND OTHERS AS APPROPRIATE, TO HOLD INCREASE TO \$4-MILLION. AT THIS TIME, WE CAN MAKE NO ACCURATE ASSESSMENT OF CHANCES OF SUCCESS. PORTER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974IAEAV03384
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740088-0825
From: IAEA VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740437/aaaabhao.tel
Line Count: 297
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: (A) IAEA VIENNA 2904
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2002 by BryanSD>; APPROVED <23 DEC 2002 by WorrelSW>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IAEA A&B COMMITTEE-TARGET FOR VOLUNTARY CONTRIBUTIONS
TAGS: AORG, AFIN, IAEA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005